

18 May 1962

FISCAL DIVISION

Policy and Procedure Memorandum No. 9

The Accounting and Payroll Branches of this Division will immediately put in force the procedures set forth below.

The procedures are based on the policy and the accounting principle that all financial transactions must be maintained under proper accounting control at all times. Therefore, not only must the payment of salaries be properly controlled from an accounting standpoint but, also, related transactions such as cancellable checks, accounts receivable relating to overpayments of salary and cash collections for overpayments. These related transactions will be recorded conformably in each Branch for any given period of time.

PROCEDURE

A. Accounts Receivable and Cash Collections Resulting From Payroll Activity

1. The revised combined form (attachment) will be utilized as a media for processing by the Payroll Branch and for recording by the Accounting Branch.
2. All accounts receivable and cash collections must be recorded by the Accounting Branch before they may be incorporated as such by the Payroll as a part of the periodic payments included in the Report of Withholding and Contributions (S.F. 2812) or any other report or payment.
3. The Payroll Branch will establish a control number for each document prepared in sub-paragraphs 1 and 2 beginning with number PBR-1-62 and continuing thereafter in numerical sequence for each calendar year. Having been recorded in the Accounting Branch, an Accounting Branch accounts receivable number will be affixed which in addition to the normal "entered" stamp will indicate that the Accounting Branch has recorded the document. Upon receiving a copy of such in the Payroll Branch, it may include the transaction represented by the document as part of a current payment to the Civil Service Commission or effect any other payroll action deemed necessary.

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## B. Cancellable Payroll Checks

1. The revised form (attached) will be utilized as a media for processing by the Payroll Branch and for recording by the Accounting Branch.
2. All cancellable check forms must be recorded by the Accounting Branch before they may be incorporated as such by the Payroll Branch as a part of the periodic payments included in the Report of Withholdings and Contributions (S.F. 2812) or any other report or payment other than the issuance of a replacement check.
3. The Payroll Branch will establish a control number for each document prepared, in sub-paragraphs 1 and 2 beginning with the number PBC-1-62 and continuing thereafter in numerical sequence for each calendar year. Having been recorded in the Accounting Branch an Accounting Branch cancellable check number will be affixed which in addition to the normal "entered" stamp will indicate that the Accounting Branch has recorded the document. Upon receiving a copy of such in the Payroll Branch, it may include the transaction represented by the document as part of a current payment to the Civil Service Commission or effect any other payroll action deemed necessary.

## C. Payroll Branch Control of Outgoing Recording Media

1. Establish a central point for logging-out and controlling distribution of subject documents.
2. Establish a central point for the Payroll Branch signature approval for all subject documents representing receivables, cash collections and cancellable checks.

## D. The Payroll and Accounting Branches will compare, at the close of each months activity, the recorded transactions - accounts receivable, cash collections and cancellable checks. (This does not eliminate or change the normal monthly reconciliation of overall payroll activity between the two Branches.)

## E. Establish Mutual Cut-off Date for the Incorporation of Recorded Documents in Payments Relating to the S.F. 2812 or Any Other Report or Payment.

1. The Payroll Branch will include, in the preparation of each S.F. 2812 or any other report or payment, only those recorded documents which it has received from the Accounting Branch as at the close of business on the Monday preceding a Friday payday.

2. At the close of each calendar year - December 31 - all available and recordable subject documents will be processed and recorded by each Branch through the close of business on this date, thereby giving consideration to all such items for the complete calendar year.
- F. An account receivable, cash collection or a cancellable payroll check not recorded as such on the last day of a calendar year will become a part of the new calendar year's transactions and will not effect any of the prior year's accounting or payroll activity.



STATINTL

Acting Chief, Fiscal Division

Attachments (2)